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# Sulphur Springs Valley Electric Cooperative, Inc.

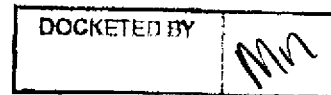
A Touchstone Energy® Cooperative

January 27, 2010

Docket Control  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007

Arizona Corporation Commission  
**DOCKETED**

JAN 28 2010



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ARIZONA CORPORATION COMMISSION

**Re: Docket No. E-00000D-09-0020**  
**2010 Biannual Electric Transmission Assessment**

Dear Sir or Madam;

As part of Decision #70635, SSVEC was to perform collaborative studies with APS, TEP, and SWTC for a long range system plan for Cochise County. Southwest Transmission Cooperative, Inc ["SWTC"] will be submitting the Summary Report and Reference Filing of the Cochise County Technical Study Report [ACC Docket No. E-00000D-07-0376] as a part of its January 2010 Ten Year Plan submittal. SSVEC participated in the preparation of this technical report and the projects herein conform to those contained in the technical report.

There is considerable work remaining implement the proposed solution. The Cochise County Study Group's report states:

*A key issue is that the utilities did not construct, does not operate, nor is contractually prepared for their transmission and subtransmission facilities to be operated in a normally closed configuration, especially with neighboring utilities.*

This key issue will necessitate the need for additional studies resulting in additional physical facilities to be installed. Contractual arrangements for the operations, maintenance and repair of these facilities must be negotiated and executed. Contractual arrangements for the energy flows must be negotiated and executed.

Furthermore, the issue of cost sharing must be agreed upon. The proposed solution to radial lines problem, identified by the ACC in Order 70635, requires the continued use of

SSVEC's extensive 69kV subtransmission system as backup to SWTC's and APS's transmission facilities. Outages in the past have been resolved or have had decreased duration by using SSVEC's subtransmission as backup. TEP and its customer, Fort Huachuca Military Base, are considering an option of using SSVEC's subtransmission system as backup. SSVEC's subtransmission system must be significantly improved to provide this service. These improvements are beyond what SSVEC needs to serve its customers, and therefore the costs should be shared by all utilities benefiting from these upgrades to the overall transmission system.

SSVEC supports the Cochise County Study Group and looks forward to working with its neighboring utilities to implement the proposed solution.

Sincerely,

A handwritten signature in black ink, reading "Anselmo Torres Jr." with a stylized flourish at the end.

Anselmo Torres Jr.  
Chief Operations and Engineering Officer

Enclosed: 13 copies

CC: Creden Huber  
Ron Orozco  
David Bryan  
Legal